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**CHRISTOPHER KELLY AND BCI COMMERCIAL ROOFING INDICTED ON
FEDERAL CHARGES ALLEGING FRAUD SCHEME TO OBTAIN INFLATED
AIRLINE CONTRACTS AND USING BCI PROCEEDS TO PAY KELLY'S DEBTS**

CHICAGO – An area commercial roofing contractor and his company were both indicted today on federal fraud and money laundering charges for allegedly paying at least \$450,000 in kickbacks to a consultant in a scheme to fraudulently obtain approximately \$8.5 million in inflated contracts for projects involving the two largest airlines at O'Hare International Airport, federal authorities announced. The defendant, **Christopher G. Kelly**, allegedly funneled more than \$1.1 million in proceeds from the fraudulently-obtained contracts through his business, **BCI Commercial Roofing, Inc.**, to pay various personal expenses, including gambling debts. Kelly, president and owner of BCI, and his Markham contracting firm were each charged with 11 counts of mail fraud and six counts of money laundering in a 17-count indictment returned by a federal grand jury, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago.

Kelly, 50, of Burr Ridge, and BCI will be arraigned at a later date in U.S. District Court.

According to the indictment, Kelly and BCI, located at 3062 West 167th St., Markham, engaged in a contract bid-rigging scheme with Co-Schemer A and Company A, which provided consulting services to businesses relating to roofing construction, repair and replacement projects. C-Schemer A was the president of Company A, which is located in Rolling Meadows. Both American Airlines and United Airlines hired Company A to assist in roofing projects at their respective airport buildings, with the parties agreeing that certain information they exchanged would remain confidential. Neither Co-Schemer A nor Company A were charged in the indictment.

Between at least September 1998 and May 2006, Kelly and BCI, together with Co-Schemer A and Company A, allegedly fraudulently steered construction contracts for roofing work at American and United facilities at O'Hare to BCI by providing the airlines with false cost estimates and manipulating the bidding process in return for hidden kickbacks from Kelly and BCI to Co-Schemer A and Company A. During this time, American and United awarded roofing construction contracts to BCI totaling approximately \$8.5 million, believing that they resulted from an honest and competitive bidding process. Kelly, however, allegedly knew that the contract prices were rigged at amounts that guaranteed profits to BCI and undisclosed kickbacks totaling at least \$450,000 to Co-Schemer A and Company A.

The money laundering counts allege that Kelly and BCI also used the fraudulently obtained funds to pay \$58,000 for personal electronic equipment for Kelly; \$383,000 to pay Kelly's personal gambling debts, including \$150,000 to an individual and \$233,000 combined to two different casinos; \$700,000 to repay a personal loan Kelly used to buy a house; and \$40,000 to pay for Kelly's personal expenses.

The indictment seeks forfeiture of the \$1,181,000 total allegedly involved in the money laundering counts, as well as Kelly's residence located at 702 Ambriance, Burr Ridge. It also seeks forfeiture of \$1,631,000 involved in the alleged contract fraud scheme and Kelly's residence.

After American or United hired Company A to provide consulting services on particular roofing projects, Co-Schemer A determined the nature and extent of the work to be performed and secretly met with Kelly to share the information. Kelly then allegedly met with Co-Schemer A to determine fraudulently-inflated budget numbers that were greater than what was actually required and in excess of what Kelly intended to bid for the projects. Co-Schemer A then provided the inflated budget figures to the respective airlines and prevailed upon them to approve the inflated budgets without disclosing that the figures were rigged between Co-Schemer A and Kelly.

When Co-Schemer A produced project booklets and held pre-bid meetings for prospective contractors, Kelly allegedly sent a BCI employee to create the false impression that Kelly and BCI were unaware of project details and were participating in the bidding process on an equal-footing. Kelly and Co-Schemer A agreed that Co-Schemer A would disclose the confidential inflated budget figures to potential bidders to induce them to submit bids that were unnecessarily high, the charges allege. Knowing that the airlines would award the contracts to the lowest qualified bidder, Kelly then submitted BCI's bid sufficiently under the inflated budgets figures to ensure that it would be lower than other bids but still provide a profit, according to the indictment.

Kelly allegedly provided Co-Schemer A with kickbacks in various ways, including by having Co-Schemer A and Company A send Kelly and BCI false invoices for work never performed; by passing money through third parties; and by sending false invoices to third parties to disguise the kickbacks.

The Government is being represented in Court by Assistant U.S. Attorneys Reid Schar, Christopher Niewoehner and Carrie Hamilton.

If convicted, Kelly faces a maximum penalty on each count of 20 years in prison and a fine of \$250,000, while BCI faces a maximum penalty of five years' probation and a \$500,000 fine on

each count. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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